

HOME NEWS

Mr Shore aims to make system of local government more flexible and return some powers to cities

From Christopher Warman
Local Government Correspondent
Harrogate

The Government has given a clear indication that it is determined to change the reorganized system of local government, returning powers to some cities at the expense of county authorities.

Mr Shore, Secretary of State for the Environment, outlined possible changes at the Labour Party local government conference in Harrogate on Saturday. He was supported by Mr Ronald Hayward, general secretary of the party, who said: "The Tory local government system must go".

While delegates spent much of the weekend considering proposals for English regional devolution as long-term aim, Mr Shore argued that whether a regional tier should be created or not it was necessary to improve the system of local government. He wanted to see if it was possible to introduce flexibility into the structure to allow for changes in functions and responsibilities where that might be desired by particular authorities, or groups of authorities.

I would describe this kind of change as organic, because its pace can be naturalised and can take proper account of local circumstances. What such change would mostly involve would be the transference of functions from one tier to another, and the ending of duplication of functions."

Minister appeals for more efficient building

Mr Freeson, Minister for Housing and Construction, appealed for greater efficiency in building when he spoke at a seminar on housing at the conference on Saturday.

He said many public sector housing schemes took far too long.

There were great gains to be made from adopting efficient development management systems to overcome the traditional subdivisions of local authority administration. "We know that schemes can be undertaken with a 20 per cent saving in time, improved quality, and at significantly lower cost by design-and-build project management systems."

Mr Freeson said recent studies had shown that each year about a tenth of building material, worth £300m was wasted

He mentioned former large county boroughs' outside the metropolitan counties including Bristol, Norwich, Leicester, Nottingham, Plymouth and Hull, great cities that had once provided all local services, but that, on reorganization, had had their functions and status reduced to those of urban district councils.

Mr Shore said: "It is surely sensible to examine whether some functions could be returned to some of the authorities who previously ran them, while still leaving a satisfactory role for the counties with regard to the rest of their areas".

He emphasized that the Government had taken no decisions, but that the matter was under close consideration. It is envisaged that education and social services might be restored to former county boroughs, and perhaps other district authorities, and the change could be made by the end of the decade.

Mr Shore was less enthusiastic about regional devolution in England, but he did not rule out a regional tier of local government, or the possibility of the Government's proposals for Wales. He said, however, that such a development might make it more difficult for a socialist government.

Mr Hayward criticized the present local government system as generating conflict between district and county, duplication of functions.

Mr Callaghan promises vast help for inner cities

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when he addressed the conference on Saturday.

Mr Callaghan said that the worst areas he had seen during recent visits were vistas of shattered buildings, vandalized houses, acres of desolation and emptiness. "The people who remain there and who exist in this desolate environment are all too often the same people who suffer from poverty and face acute social problems."

He suggested that some of the damage might be unfortunately self-inflicted. He criticized those redevelopment policies that destroyed small workshops and businesses of the type which employed between 15 and 20 men, relied on cheap accommodation, and looked to the immediate neighbourhood for their workers and customers.

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A WEEK LATER, THE VOLVO STARTED FIRST TIME.

If you're worried about leaving your car out all night this little story might interest you.

We drove an ordinary Volvo 244DL into a refrigerated room normally occupied by several hundred Sunday joints.

We closed the door and left the car there for a week. At night, the temperature was minus 6°C. (Rather chillier than your front drive.)

A week later, an official from the AA came to drive the car out. The engine started immediately.

To be honest, this test wasn't too difficult for a Volvo to pass.

In Sweden, the temperature can be sub-

zero for as much as six months of the year and the Volvo is built to cope.

The starter motor and alternator are more powerful than those found on many cars.

The electrical components are well weather-proofed. (In another test, we pumped 1500 gallons of water into the engine and it still started first time.)

And if the Volvo engine is built to withstand severe winters so is the Volvo body.

The rust-proofing is probably better than on any other car you can buy.

In all, some 15 different sections of the bodywork are made from galvanised metal.

(So salt on the roads won't lead to rust on the car.)

Inside, we've also learnt how to weather-proof the Volvo driver.

The heated rear window is rated at 150 watts, so you'll always get a clear view.

The heater is unusually powerful, with a 3-speed fan and thermostatic control.

(It can heat the car up to 27°C, even when there are 25° of frost outside.)

If you'd like a test drive call in and see your local Volvo dealer.

Whatever the weather we promise you a warm reception.

VOLVO 244

HOME NEWS

Health service should be removed from direct Government control, physicians' college says

By John Roper

Health Services Correspondent

Although recognizing that the Government needs to retain control of a service that spends so much public money, the Royal College of Physicians of London believes that the Royal Commission on the National Health Service should "seek ways of insulating the service from direct governmental control".

The college, which has more than 8,000 members and 3,600 fellows, puts its proposal in its evidence to the commission, published today. It says that the royal colleges are concerned not only with medical competence but also with the standing of medicine as a caring and learned profession.

It notes the ill effects on patient care and on ethical standards of disputes between the Government and the medical profession "which have recurred over many years".

The commission, it suggests, should consider whether such disputes were not bound to continue while the "head" of the health service was a member of the government of the day, since that led to recurrent changes of strategy within the service. The college does not say how the service should be removed from direct control.

The college calls for a continuing investigation of the effectiveness of medical care. It says it is setting up a medical services study unit on the lines of the successful confidential

inquiry on maternal mortality. The unit will investigate the effectiveness of the care of certain conditions. Such research raises the standard of patient care and monitors professional competence, the college says.

Discussing the best use of medical manpower, it says that in the past the prospects of junior hospital doctors had been made tolerable because more than half had come from overseas for advance training in Britain and had returned home without seeking a career here. But the increased output of British medical schools would mean that most posts would be held by home graduates, who would expect to make a career in Britain.

"We hope that the royal commission will recognize the great problems that will arise unless hospital career opportunities are provided for nearly twice as many doctors as at present," the college's memorandum says.

Swindon plan: In its evidence to the commission, the Fellowship for Freedom in Medicine, a body of doctors and laymen with no party political affiliations, says that the Health Service should be replaced, not reorganized.

The state must play a part in financing medical care but instead of taking over the whole service, it should provide the heavy capital expense of hospitals, new building and equipment, and support the individual in need. A greater emphasis on personal provision and individual involvement was needed.

Much of the money should be raised by insurance payments. Funds raised locally for health care needs should be kept locally, and nationally public interest could be encouraged by a national sweepstake.

An important effect of raising money for the service other than by direct taxation would be that direct control would no longer be in the hands of the Secretary of State and the Treasury. A health care foundation financed by insurance money should be set up to oversee the provision of the health services.

Cigarette levy: A levy on cigarette packets to pay for the cost of treating diseases related to smoking is proposed by Action on Smoking and Health (Ash) in its evidence to the commission (A Staff Reporter writes).

A levy of 5p a packet would raise the price of cigarettes by little more than 10 per cent but bring in £50m a year, it says.

The Government has accepted the principle of such a levy in its evidence to the commission.

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A reduction of a fifth in cigarette consumption could, within 10 years, save 8,000 lives annually, Ash says.

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Leslie Edwards (centre), director of the Royal Ballet Choreographic Group, which he founded in 1967, with aspiring choreographers who were members of the cast of the group's performance yesterday at the New London Theatre, Drury Lane, to mark the tenth anniversary of the group's formation.

An important move to involve railways and environmental interests in the formulation of Britain's trunk roads policy is expected to be made by the Government this week.

Mr Rodgers, Secretary of State for Transport will be giving details of a committee of inquiry, announced briefly last December, into the justification for motorways and trunk roads, and the official traffic forecasts on which they are based.

Both have come under strong challenge from opponents of the so-called roads lobby, which is accused of having an undue influence on government policy in the transport field.

The only member of the committee to be announced so far is its chairman, Sir George Leitch, a former soldier and civil servant and now chairman of Short Brothers and Harland, the aircraft manufacturers. It will be a small committee, but its membership will be unusually wide-ranging, reflecting the Government's desire to involve all the main groups with an interest in the roads programme in the formulation of the report.

It will have three economists, including a specialist in appraising railway investment and a road investment expert, a civil engineer, a geographer, an industrialist, and codirector of one of the leading environmental pressure groups. All will be from outside the Department of Transport.

It is hoped that their report, which will be published, will be ready in about six months.

The terms of reference represent a significant widening of the area of investigation into new roads, hitherto confined mainly to cost-benefit for road users. The committee will take account of their impact on the environment and other forms of transport.

But it will also consider the impact on traffic forecasts of possible investment in alternatives to roads. The terms of reference are:

1. To comment on and recommend any necessary changes in the department's methods of appraising trunk road schemes and their application, taking account of both economic and environmental factors, and of the extent to which these methods are a satisfactory basis for comparison with investment in alternative methods of transport.

2. To review the department's method of traffic forecasting, its application of the forecasts and to comment on the sensitivity of the forecasts to possible policy changes.

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Mr George Leitch, who is aged 61 and is a pioneer in the analytical techniques of operational research, does not underestimate the complexity of the issue of transport investment.

"With weapons of war you judge by lethality. But how do you judge the value of a roads programme to the community?" he asks. But he is not unopposed, and expects the committee to approach its task in much the same way as in the area of defence, with which he is more familiar.

He and his committee will begin by "soaking ourselves in the present system so that we really understand it". Then they will immerse themselves in the criticisms of it, a process to which he wants interested parties to contribute fully, preferably in writing. He sees the task as "interesting and important".

The need for it has arisen, he says, "because the suggestion is made that the traffic forecasts are not soundly based, and the roads programme not properly evaluated. It is important in view of the impact of this programme on the community and its cost of several hundred millions a year, that such criticism is either confirmed or refuted."

Railway and environment interests involved in formulating roads policy

By Michael Bally

Transport Correspondent

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1. To comment on and recommend any necessary changes in the department's methods of appraising trunk road schemes and their application, taking account of both economic and environmental factors, and of the extent to which these methods are a satisfactory basis for comparison with investment in alternative methods of transport.

2. To review the department's method of traffic forecasting, its application of the forecasts and to comment on the sensitivity of the forecasts to possible policy changes.

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Mr George Leitch, who is aged 61 and is a pioneer in the analytical techniques of operational research, does not underestimate the complexity of the issue of transport investment.

"With weapons of war you judge by lethality. But how do you judge the value of a roads programme to the community?" he asks. But he is not unopposed, and expects the committee to approach its task in much the same way as in the area of defence, with which he is more familiar.

He and his committee will begin by "soaking ourselves in the present system so that we really understand it". Then they will immerse themselves in the criticisms of it, a process to which he wants interested parties to contribute fully, preferably in writing. He sees the task as "interesting and important".

The need for it has arisen, he says, "because the suggestion is made that the traffic forecasts are not soundly based, and the roads programme not properly evaluated. It is important in view of the impact of this programme on the community and its cost of several hundred millions a year, that such criticism is either confirmed or refuted."

It is hoped that their report, which will be published, will be ready in about six months.

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Minister asserts Spain keep to chosen path despite terrorism

By Debelius

n-30
Adolfo Suárez, the
Minister, assured Spain
that it would
on its way toward
with order and free-
dom if sometimes in

years earlier, four ter-
rorists had gone off in
the country and a
police and military
force had publicly
denounced the
actions of the
prime minister.

Obviously annoyed, General
Gutiérrez Mellado shouldered
his way through the crowd,
barking out orders for silence.
Many of the angry mourners
ignored him. They shouted slogans
alleging that the Govern-
ment was weak and screamed
"Out with the reds" and
"Traitors, traitors! They also
sang the Falangist anthem
"Faith to the sun".

Round-ups continued all over
the country today. Among
those picked up in Santander
was the Duchess of Medina-
Sidonia, known as "the red
duchess" because of her
clashes with the Franco
regime. She had only recently
returned from exile.

After questioning in Santander
police headquarters, the
duchess was allowed to leave.
Known to be the
explosions in
Bilbao suburb
a van. Similar blasts
in San Sebastián
Pamplona.

which may or may
not be the political
of-duty policemen
dead in Santander,
persons sprayed
man's car with
a fire in Valencia
was unharmed.
The assailants got
before he had put
into their car, possi-
bly one of the

of October Anti-
Resistance Groups
yesterday claimed
for Friday's
security policemen
as of the paramili-

Leading article, page 13

Spanish unions linked with confederation

ard Wigg

Spanish General Con-
ference of Labour was
today at the end
of its congress of trade
unions dominated by
and their sympathi-

ately faced the
Government of Drs
with a highly
negotiating partner
problem of whether to
id a rival pro-Social
organization.

gress highlighted
as unemployment
ing more than
ple out of an active

ope says
barred
priests

Correspondent

30 today repeated the
holistic Church's ban
of women in the
the tradition had
own by Jesus Christ

on the occasion of
Sunday blessing,
the real reason
Christ, when he gave
its fundamental
theological anthro-
pism was always
the tradition of the
d it down in that

said women should
ended because they
l upon to perform
in the church
men. He was con-
would continue to
their "incomparable
sensible collabora-

tion torpedo, page 14

Pro-Europe MPs press for action on elections

By Our Political Correspondent

Pro-Europe MPs in all
parties will attempt to put
Ministers "on the spot" on
February 7 for their refusal so
far to produce legislation to
enable direct elections of the
British delegation to the European
Parliament to take place by the
earlier date of May or June, 1978. The MPs accuse
the Government of delay and evasion.

The opportunity is provided
by the Private Member's
Motion put down by Mr Hugh
Dykes, MP for Harrow, East, a
member of the present Conservative
delegation to the European
Parliament.

It calls on the Government
"to fulfil its undertaking to
the Community to introduce legislation... and that unless
this is published forthwith

there will be insufficient time
for the Boundary Commission to
complete the necessary work
to meet the official target date of
May-June, 1978.

It also points out that "failure
to bring forward the Bill at the earliest opportunity may
prevent such elections taking
place in any of the member
states as provided in the September
1976 convention to which
Her Majesty's Government
was a signatory".

Mr Dykes said yesterday
that many MPs were becoming
seriously alarmed at the delay.

This Bill is as important as
devolution, if not more so", he said.
"Other countries are
going ahead with preparations.
All the main obstacles have
been removed in France, and
Mr Crosland, the Foreign
Secretary, said in Luxembourg
on January 12 that any
country that dragged its feet
on this would bear a heavy
responsibility."

Ministers may face bribery trial

Correspondent

30 and recommendation
committee

that two former
ministers should be
tried on corruption
connected with the
bribery scandal has
led with relief in
quarters

had been apprehended
the committee, which
for preferring to
scandals whenever
would try to sweep
affair under the

men named in the
lition are Signor
a former Defence
and member of the
Christian Democratic
Signor Mario
former leader of the
Democratic Party.

Mariano Rumor, a
Christian Democratic
ister whose activities

were also being investigated by
the committee, was spared further
legal inquiry by the casting
vote of the committee

in some respects, the
committee's decision can be seen as
a result of last year's general
election, in which the
Communist Party gained a
number of additional parliamentary
seats and thus increased its influence on parliamentary
committees, including the one investigating the Lockheed
affair.

Since the election, the
committee of 20 has been made up of
eight Christian Democrats,
seven Communists, two Socialists,
an independent leftist
and two independent rightists.
This resulted in a broad 10-10
configuration, with the chairman
having a casting vote.

The committee recommended
by 11 votes to 9 (one of the
independent rightists voted
against) that Signor Gai
should be sent for trial. In the
case of Signor Tanassi the vote
was 13 to 2.

The allegations against the
two, as well as those against a
host of lesser figures including a
former Air Force chief of
staff, result from the publication
in the United States a
year ago of internal Lockheed
documents after a congressional
inquiry.

Those concerned in the alle-

Italy faces more austerity measures

From Our Correspondent

Rome, Jan 30

Signor Andreotti, the Italian
Prime Minister, faces a week of
difficult decisions on new
austerity measures, after the
realization that last week's
agreement on labour costs
between industrialists and trade
unions is inadequate to steer
the economy towards recovery.

A Cabinet meeting tomorrow
is expected to approve decrees
giving legal force to some of
the points agreed between
Confindustria, the industrialists
organization, and the unions,
particularly the exclusion of
indexed cost of living wage
rises from severance pay
computations.

Leaders of the parties keeping
the minority Christian
Democratic Government in
office by abstaining in parliamentary
votes, are to meet on
Thursday to discuss the next
round of austerity measures. If
all goes well, the Cabinet is
expected to approve the new
measures on Friday.

During recent months the
government's austerity measures
designed to take about
5,000,000 lire (£3,300m) out of
the economy, have been a series
of improvisations taken in the
hope that they may prove to be
the last, and that they will
loosen the purse strings of the
International Monetary Fund for
a \$530m (£311m) stand-by
credit which Italy has been trying
to obtain for a year.

The new measures are reported
to envisage the lowering of
industrial costs by transferring
about 1,300,000 lire of social
insurance charges to the state.
The Government is reported to
be considering financing this
by increases in value-added tax
and in the prices of certain
petroleum products.

Continued from page 1

A lesser problem than the
shortage of gas is the shortage
of fuel in some places caused by
frozen rivers and canals and
impassable roads which prevent
delivery of supplies. The Ohio
is frozen at Louisville and the
Mississippi is frozen above St
Louis. The upper Chesapeake
Bay is impassable and the
Potomac is frozen at Washington.
The river is half a mile wide
here and people skate

across it despite warnings by
police that it might be dangerous.

The day after his inauguration
President Carter said: "Today's crisis is a painful
reminder that our energy problems are real and cannot be
ignored". His special assistant for
energy, Mr James Schlesinger,
instructed to Congress last
week that the United States
must become serious about conser-

vation. The energy crisis of 1973
caused by the quadrupling of
the price of Arab oil, and the oil
embargo, has left few traces.
Americans still consume far
more energy than any other
people and the effects of the
exhortations to conserve which
were poured out in past few
years have proved derisory.

Continued from page 1

Last week the President
asked everyone to turn down
their thermostats for their
central heating to 65°F by day
and 55° by night, saying that
they would thus save 340 million
cubic feet of gas a day.

During his brief visit to Pittsburgh
today, Mr Carter said: "The reason for my presence
here is to demonstrate that this
'temporary' shortage is
going to be permanent". Back
in the White House he told
reporters that while the crisis
may be over in a couple of days
or a few weeks, the shortage of
energy in the United States
will be permanent and very
serious.

Continued from page 1

In Pennsylvania 90,000 people
are already out of work because
of it and another 325,000 are in
imminent danger of losing their

jobs. Congress is considering
some temporary measures pro-
posed by Mr Schlesinger last
week, but they will hardly
alleviate the crisis, which will
continue until the weather
improves.

The past three winters have
been mild and gas companies
were able to supply those parts
of the country hit by cold
weather with reserves from
other places. This time, the
most populous parts of the
nation have been caught with a
prolonged cold spell, and it
has proved impossible to divert
enough gas.

Continued from page 1

Toronto, Jan 30.—Nearly
2,000 Canadian children were
marooned in their schools for
the second day yesterday by a
blizzard that paralysed much of

southern Ontario.—AP

Officials in Cairo are believed
to be studying ways of
raising food prices again, but
this time in stages. President
Sadat would rather make up
his budget deficit from other
sources, but at least one senior
Western economist here says
that he has no option but to
withdraw food subsidies gradually
if he wishes to persuade the
World Bank and the International
Monetary Fund to make further
loans to Egypt.

Mr Mobiudin admitted that
his party had sent out two
"directives" during the riots.
The second of these told members
to support the "popular
movement" against the price
increases. He said, however, that
the Progressive Unionists were
being made a scapegoat.

He seemed less comfortable
when a journalist noticed two
envelopes lying beside him,
each marked: "Embassy of the
Soviet Union". Mr Mobiudin
said, with a slight smile, that
they were invitations to a
reception.

In his speech yesterday to
trade unionists in Cairo, Mr
Sadat welcomed dialogue but
not destruction. Three countries,
he said, were "destroying over the
rivers in Egypt—Israel, the Soviet
Union and Libya". He asked
trade unionists to "purge your
ranks of the groups that take
their orders from abroad".

The communists' plot, in
which the Government has come
to believe, is still being reflected
in the press. The newspaper
Al Akhbar said that the arrests
of communists in Rabat indicated
the "endless chain of communist
plots".

The same newspaper con-

tained an attack today on Mr
David Hirst, the Middle East
correspondent of The Guardian,
who was expelled from Egypt
last week. It claimed that Mr
Hirst had long predicted a revolution
in Egypt which never materialized.
He "spread lies, echoed rumours and fomented
poison".

OVERSEAS



Snow blocking a street of Buffalo, New York State, gives an impression of the huge problem facing the authorities in the eastern United States and the Mid-West. Even Florida has been hit by severe cold.

Mr Carter: Fuel crisis here to stay

Continued from page 1

Foreign Secretary in London
on Wednesday and they would
discuss the possibility of Mr
Crosland coming to Africa.

The statement by the Patriotic
Front leaders, in which they
rejected a meeting with Mr
Richard, said: "By breaking the
talks unilaterally, Britain has
shown callous disregard for the
interests of the six and a half
million Zimbabweans in prefer-
ence to the interests of its kind
and kin."

Britain has accordingly left
the people of Zimbabwe only
one option—to intensify our
armed struggle as the only
method of attaining our goal
of freedom and independence. We
shall not be found wanting in
this respect.

Only when Britain is pre-
pared to adopt a positive, un-
equivocal and a more deter-
mined stand to effect the
transfer of power to the people
of Zimbabwe can we ever con-
sider holding any preliminary
discussions with her emissaries."

In London, British Govern-
ment officials expressed "deep
disappointment" over the Patri-
otic Front's refusal to meet
Mr Richard in Lusaka.

Mr Crosland said the Patriotic
Front leaders may have refused
to meet him through a mis-
understanding of the status of
the Geneva conference. "We
have never said the whole pro-
cess is at an end", he told
reporters.

Asked if he felt rebuffed by
Mr Smith, the Patriotic Front
leader said: "I feel much more
rebuffed by Mr Smith than by
Mr Richard's handling of his
mission, saying he had not con-

sidered the nationalists who were
party to the Geneva conference
before calling off his initiative.

The President was addressing a
crucial meeting of the OAU's
liberation committee, which is
expected to decide on ways of
intensifying the guerrilla
war in Rhodesia.

Rhodesia's black nationalists
reserved the right to seek "aid
from any quarter" if South
Africa gave military support to
Mr Smith's Government, he said.
"We are only a step away from a
racial war in which superpowers cannot but be involved."

It was a clear reference to
an invitation last Friday to
signatory government intellectuals
to leave for permanent exile in
Austria. The "offer" was de-
clined by all six.

The President told the libera-
tion committee that the sanctions
should be extended to oil
supplies which allowed the
Smith Government to keep the
war going. Sanctions could also
apply to banking and insurance
institutions and posts and tele-
communications with Rhodesia.

Two other nationalists, Bishop
Abel Muzorewa and the Rev
Ned Ndebele, have sent
representatives to the meeting.

Yesterday Mr Nkomo and Mr
Mugabe attended the funeral of
Jason Moyo, Mr Nkomo's military
ally, who was killed by a
rocket bomb a week ago.

Both leaders pledged that
they would step up the guerrilla
war and "assail the enemy in
his citadel".—Reuter.

Continued from page 1

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rocket bomb a week ago.

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they would step up the guerrilla
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his citadel".—Reuter.

Continued from page 1

Amsterdam, Jan 30.—The
Labour Party of Mr Joop den
Uyl, the Dutch Prime Minister,
has called on the Government
to drop plans for expansion of
a plant producing enriched
uranium for power stations.

Mr den Uyl said the Cabinet
would study a resolution
opposing the expansion passed
by the party executive by a party congress
which ended yesterday.

The plan is part of a technical
information and manufac-
turing deal with Britain and
West Germany. The plant at
Almelo is to produce about 60
tonnes of enriched uranium
with the total for the three
countries rising to 2,000 tonnes
by 1985.—Reuter.

Continued from page 1

The difficulty is that any
transfer must have the consent
of the Americans who supplied the
original fuel. They have
agreed to a transfer for
storage, but because of the
United States' obligations
under the nonproliferation

t

OVERSEAS

More to fear in India than 'under British'

From Our Correspondent
Delhi, Jan 30

Mr Morarji Desai, the leader of the Janata Party, a newly formed alliance of opposition parties, told a mass meeting here today that democracy has been "vasectomized" in India and that the atmosphere of fear now prevailing was much worse than in the days of British rule.

Mr Desai, a former Deputy Prime Minister who had spent 19 months in detention, was speaking at a rally here marking the opening of the opposition alliance's election campaign. He urged the people of India to oust the ruling party if they wanted the emergency to go.

The theme of major Janata rallies in Patna, Jaipur, Kanpur and elsewhere was the same as in Delhi: a call for a struggle against dictatorship and for democracy.

The omissions and commissions of the Government during the emergency were vehemently criticized and Mrs Indira Gandhi, the Prime Minister, came under special attack for having "accumulated power for herself and her family".

The non-communist Janata platform was used in turn by leaders of the alliance's constituent parties—the Jan Sangh, the Opposition Congress, the Indian People's Party and the Socialist Party—at the mass election meetings.

Mr Jayaprakash Narayan, the veteran reformist politician, told a rally in his home town of Patna that what mattered more than the March elections was that democracy must win.

At Jaipur, the opposition election meeting was addressed by Mr Chander Shekhar, a former member of the ruling Congress Party's working committee.

Mr Shekhar alleged that the economic policies of the Government "helped the capitalists".

Delhi, Jan 30.—Mrs Gandhi and her son, Sanjay, the head of the youth wing of the ruling Congress Party, opened their election campaign yesterday—just ahead of the Janata campaign—with speeches critical of the opposition.

Mrs Gandhi told a large gathering of teachers, textile workers and young Congress members outside her house here that some people had construed the meaning of politics as rumour-mongering and making baseless allegations, thereby lowering the standards of public life. Political freedom did not mean licence, she added.

Mr Gandhi, who is 30, told a public meeting in the Orissa state capital of Bhubaneswar that opposition parties were fighting shy of the challenges of the election. After demanding the polls for many months, they were now claiming that they were not prepared and wanted more time, he said.—Reuters.

Greek-Turkish meeting creates hopeful mood

From Mario Modiano

Athens, Jan 30

A successful meeting between the Greek and Turkish foreign ministers in Strasbourg yesterday confirmed that the prospects of a Greek-Turkish understanding already enhanced by exchanges between Presidents Makarios of Cyprus and Mr Rauf Denktaş, the Turkish Cypriot leader, in Nicosia, had greatly improved.

Mr Dimitrios Botsis, the Greek Foreign Minister, who returned to Athens today, told Greek journalists that the climate prevailing during his discussions with Mr İhsan Sabri Caglayangil, his Turkish opposite number, should rule out "a recurrence of last summer's Aegean crisis".

The two ministers are known to have focused their attention on the new developments in Cyprus after the Mafakaris Denktaş meeting on Thursday, which revealed many common ground between the two communities that had hitherto been considered possible.

A joint communiqué said that bilateral relations had been reviewed in a spirit of sincerely and "cordiality"—a word that the Athens press pointed out had not been used for long to describe Greek-Turkish contacts.

Communists freed

Asunción, Jan 30.—The Paraguayan Government has freed four communists after 23 years of imprisonment. They were believed to be among Latin America's longest-held political prisoners.

World population at 4,000 million

From Our Own Correspondent

New York, Jan 30

A baby girl born in Norway has the longest life expectation in the world—77.5 years—according to the latest issue of the United Nations' *Demographic Yearbook*. A baby boy born in Sweden has a greater life expectation than any other male 72.1 years.

These are just two of the figures given in the *Yearbook* which covers the world up to 1975. It reports on topics such as rates of population increase, infant mortality, maternal mortality and abortion for countries from the American Virgin Islands to China.

It estimates that the total population of the world by mid-1975 was 3.967 million, an increase of 7.7 million over 1974. That amounts to an annual growth rate of 1.9 per cent which, if maintained, will

Nationalists ignore call for approach to blacks

Apartheid battle lines harden after township violence

From Nicholas Ashford
Cape Town, Jan 30

When it comes to fighting amid the flames, probably Nero displayed less disregard for the dangers round him than did South Africa's ruling National Party during the no-confidence debate in Parliament last week.

It was the beginning of a new parliamentary session, the first since last year's violence in the black townships, which left hundreds dead and still threatens to break out again.

The House brimmed with expectation. But all the Government side seemed interested in, despite its overwhelming parliamentary majority, was attacking an opposition which has split into three impotent and quarrelling groups.

For example, Mr M. C. Botha, the Minister for Board Administration and the man most responsible for what happened in the townships, denied almost all his speech to driving a wedge between the 30 remaining members of the United Party and the 12 members of the Progressive Reform Party (PRP), who are now trying to form themselves into a new opposition grouping. Black grievances were scarcely mentioned.

Mr Vorster, the Prime Minister, was hardly any better. The only time during his long rambling speech when he was speaking about Rhodesia. Never before have white South African policies appeared so irrelevant to the real issues at stake.

There can certainly be no excuse for not knowing what those issues are, or at least what the opposition parties believe them to be. They were

spelt out repeatedly by opposition speakers who gave a warning that the present race policies were courting disaster.

Whatever their own differences, no opposition MP would disagree with the statement made by Sir De Villiers Graaff, the United Party leader, when opening the debate. He said: "The great dream of the National Party has become the great destroyer of the peace and prosperity of South Africa. It is time to destroy the system of apartheid before it destroys us."

The National Party, however, is dedicated to ensuring that the policy of apartheid is not only defended but allowed to flourish. If one point emerged with the utmost clarity, it was that the Government has no intention of budging from its present path.

There was no sign that the Government was considering a reappraisal of its policies despite the growing demands by the Afrikaans press for it to do so. On the contrary, apartheid remains the name of the game and only a few cosmetic changes will be considered to remove the more glaring examples of racial discrimination.

The Government and its supporters totally reject the notion that its policies are the principal cause of black unrest. In their view, the riots were stirred up by outside agitators who take their orders from an unholy alliance of evil and subversive forces comprising the Communists, the Organization of African Unity and the United Nations.

To emphasize this point, Mr James Kanger, the Minister of Police and Justice, produced a rather antiquated communist-made sub-machine gun which he said the police had found in Soweto.

Government ministers also made it clear that South Africa would go alone if the "weak-willed" West was not prepared to join in keeping the advancing forces of international communism at bay. They rejected as double standards and hypocrisy suggestions that the West merely wanted evidence that meaningful change was being contemplated before it could move more openly to South Africa's side.

However, despite the National Party's apparent refusal to face issues concerning racial unrest, last week's debate did clarify the lines of political conflict in South Africa. As Dr Van Zyl Slabbert, one of the few Afrikaans members of the PRP, put it, from now on the political battle lines will be between those who want to negotiate with blacks and those who are bent on confrontation.

The United Party and the PRP both want to talk and not fight. But there are fundamental differences between members of both parties over what sort of approach should be made.

This is one of the major obstacles to forming a new opposition party which would reject the extremes of white and black nationalism, and instead try to open the way for a moderate centrist solution to South Africa's problems.

Whether these differences can be overcome without a further split in the opposition remains to be seen. But it is not just Nationalist MPs who find it hard to see a new party being formed in which Mr Vause Haw, the burly United Party right-winger, and Mrs Helen Suzman, the radical conscience of the PRP, could cohabit happily.

When it's all change in the rooms at the top



The temptation for Prime Ministers to tinker with the machinery of government is irresistible. It is in the one area of public life where they speak and it is done. Departments can disappear at a stroke and new ones arrive overnight as men from the Property Services Agency change a nameplate or two and shunt furniture from one end of Whitehall to the other. Sir Harold Wilson created no fewer than four new ministries on taking office in 1964. Civil servants said they had seen nothing like it since 1940 and adjectives like "purposive" and "dynamic" were on every minister's lips.

Mr Callaghan has shown firm resolve in such matters, though his changes have been made without the linguistic extravagance of 1964. His dislike of conglomerate departments led the Prime Minister to dismember the Department of the Environment, the most successful of the giants in administrative terms, last September. A Department of Transport reappeared, complete with Cabinet minister, and the number of people with foreknowledge of the event in Whitehall could be counted on the fingers of one hand. The centralizing momentum of a decade was put very definitely into reverse and the era of the jumbo department was at an end.

He was first held on the Isle of Pines, but was later transferred to La Cabaña prison in Havana, where he remains.

Senior Matos is in poor health and has been losing the use of one arm as well as suffering from arthritis, kidney complaints and loss of sight.

In a letter to his wife smuggled out in 1975, he wrote: "To this very day I do not fear prison. Deprivation of freedom, lack of space, isolation and previous lesser happiness do not do any harm to me."

There is something in my situation which gives me more pain than imprisonment itself. It is to be labelled and treated as an enemy of the people...

He is due to complete his sentence in 1979 but is unlikely to be released unless he agrees to "rehabilitation", something he has consistently refused to do.

President Pinochet of Chile has proposed the exchange of Señor Jorge Montes, the detained Communist senator, for Señor Matos, but so far it is understood that there has been no Cuban response.

The demonstrators condemned the forthcoming round-table conference in Paris between political groups in the territory of the Afars and Issas and the French Government at which a date is to be fixed for a referendum on independence and prospects discussed for future cooperation.

Mr Andreas Dedotis, who featured in the Prisoner of Conscience column on January 24, has been tried and sentenced to 11 years in a Greek military prison for his conscientious objection to military service. Most similar convictions recently have brought a maximum sentence of four and a half years.

The Yearbook gives the population of China as 838,800,000, and that of India as 598,100,000. Next come the Soviet Union, 254,380,000, the United States, 213,630,000, and Indonesia, 130,600,000. Britain comes thirteenth with 55,950,000.

The three largest metropolitan areas are Tokyo with 11,623,651 inhabitants; New York, 11,571,899; and Mexico City, 11,339,774. But Shanghai still seems to be the largest city, with 10,820,000 inhabitants, followed by Tokyo, Mexico City, New York, Peking and London.

breaking up and reforming great departments of state is no simple matter and will not be undertaken lightly by Mr Callaghan for all his confidence and sureness of touch in such areas. He has two clear opportunities to do so this year. There is to be a change of Chancellors in July and the head of the Home Civil Service, Sir Douglas Allen, retires in December.

During the IMF negotiation public spending was entirely the handmaiden of home and overseas financial considerations. It was not a two-way process at all and the energies of Mr Leo Platzky and his team were fixed solely on apportioning cuts rather than the creative reordering of priorities within spending ceilings which they rightly see as the primary reason d'etre of their system of spending control.

The Treasury's internal reorganization of 1975 complicates matters slightly. One third of its spending divisions are now outside Mr Platzky's bailiwick and under another Second Permanent Secretary, Mr Alan Lord, who runs the domestic economy sector. Whether they

would go to a new ministry in the event of dismemberment is not entirely clear. The case for keeping revenue and expenditure, however, remains a powerful one and militates against change.

The pros and cons are finely balanced in the shape of a central reorganization proposed six years ago by the late Sir Otto Clarke. Sir Otto ran the public expenditure divisions in the Treasury during Mr Callaghan's Chancellorship and the Prime Minister often refers to him and the ideas he produced in such abundance.

For once a Whitehall contingency plan is open for public inspection well ahead of the 30-year rule in the form of Sir Otto's stimulating book *New Trends in Government* (Civil Service College Studies No. 1, ESMO, £1). Briefly, Sir Otto proposed removing the public expenditure divisions from the Treasury and putting them together with the manpower divisions from the Civil Service Department to form a Central Management Department along the lines of the Office of Management and Budget in Washington. The Treasury would become a National Economy and Finance Department.

Should the Prime Minister decide to reshape the commanding heights of Whitehall next summer or at the turn of the year, a fascinating by-product would be the question of which department should carry the headship of the Civil Service at official level. This tide has been causing trouble periodically since it was first given to Sir Warren Fisher on his arrival at the Treasury in 1919. At present it lies with the Permanent Secretary to the Civil Service Department. But under a new departmental arrangement, it could quite easily go to the senior Permanent Secretary of the "big three"—Finance Ministry, Management Department or Cabinet Office.

One paragraph of Sir Otto's analysis might appeal strongly to Mr Callaghan in his present mood: This concept should be judged in its own right, starting from scratch and not thinking of it as a truncated Treasury. Shown the public sector control function, National Economy and Finance (NEF) would have an important role in public expenditure, and would no doubt have a division concerned with it, just as the Treasury now has divisions concerned with fiscal policy and industrial and incomes policy, for which other departments have prime responsibility. In my opinion, NEF would be strong. Its views about the future course of the economy would probably be more readily accepted than the Treasury's are, for these views would not be seen as shots in a campaign by the same minister to cut defence or social services whatever the current target might be.

The Whitehall scene has changed since 1971 and some parts of Sir Otto's scheme would no longer be appropriate. His aim was to strengthen the centre against the jumbo departments trampling the periphery of Whitehall. Their day is already over.

But the case for putting Civil Service manpower with public expenditure control is stronger than ever. The cost of central

wherever he happened to be. The headship involves in the Senior Appointments Committee, finds 44 permanent secretaries and 147 deputy secretaries staff the summit of the "holy pyramid". Advise honours and public appointments and responsibility semi-independent Civil Service Commission, which recruits, also go with the j

The legendary Sir E. Bridges for one year after the Second World War did the "big three" jobs concurrently as head of Civil Service Permanent Secretary to the Treasury and Secretary of State for the Treasury and Civil Service, which recruited the links between them are dissolvable.

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Clearly no single man can now repeat Bridges's achievement given the vast increase in the volume of government since 1945. But a current edition of *Administrators*, Sir James James, former Permanent Secretary at the Ministry of Defence and one of the dominant figures in Whitehall in 1960s and early 1970s, reflects the debate by suggesting

that the headship involves in the Senior Appointments Committee, finds 44 permanent secretaries and 147 deputy secretaries staff the summit of the "holy pyramid". Advise honours and public appointments and responsibility semi-independent Civil Service Commission, which recruits, also go with the j

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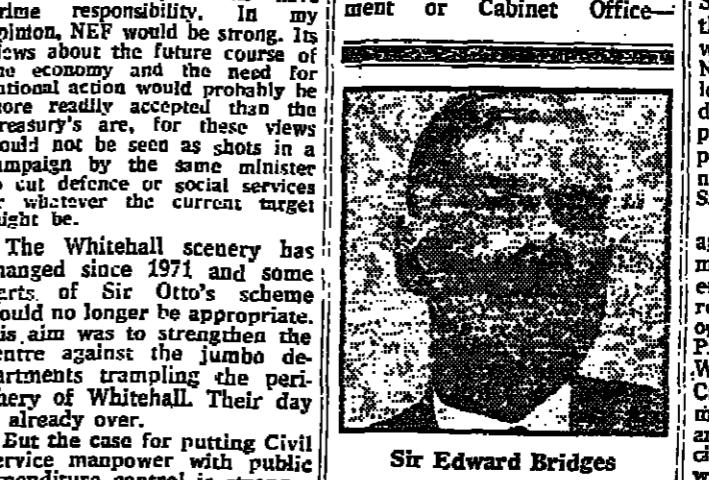
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Few in government would agree that the present arrangement of central departments entirely right. Whether dismemberment is necessary is open to question. Only the Prime Minister can decide what is not in doubt. Callaghan's resolve is made up. One way or another, 1977 should be a fascinating year for Whitehall.

Peter Hennell



Sir Edward Bridges

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Abingdon: P. Beddoes,
John Jones, N. Marks;
G. Cox, E. Greaves,
captain: R. Alcock;
D. Warren, R. Drake;
J. Alcock, J. Percival;
K. Moseley, R. Drifted;
M. Moore, R. Greaves.

(Gloucestershire).

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James as a concus-
the final practice
held in Cardiff on



So near and yet... Rawle, Harlequin's scrum half, prevents a London Scottish try by inches, but his side still lost, 10-9, at Richmond Athletic ground on Saturday.

Pritchard's potential takes the eye

By Nicholas Keith

There is no sign of an imminent Coventry revival. Against Richmond on Saturday they tried to purge the virus of incompetence that has seized Warwickshire in the semi-final round of the county championship. The visitors' pack, the 11 Coventry players who had represented their county and by retaining the nucleus of the team that had beaten Swansea. But

there was not at Coundon Road on Saturday a single try, two penalty goals (18 points) to a goal (1) and improved their standing in the Welsh Merlin table.

There was never much in it. Coventry somehow lacked conviction, although they did lead 10-3 in the march. Richmond had a slight advantage in most spheres: Ray scored two tries; Ralston ran the lineout; Bucknall, Greenwood and Pearson had the lineout; and Shackle and Shattock were at the posts.

Twiss had a penalty before half-time, and, five minutes into the second half, Coventry took the lead with an excellent unconverted try to Couthard which was set up by Holt. But they soon lost their advantage by barging in the lineout and providing Whibley with another penalty goal.

Twiss, that grey fox, earned

suffered from the exclusion of the likes of Nunns and Malin. Duckham, pushing Grimshaw to stand-off, half and Hamilton into the centre, Coventry took a deep breath and knee nearly squeezed the ball out of the hands of the scrum half before the ball was put in. Head is to be congratulated on the boldness of his decision.

Richmond, who gave Border

Incident a try, was beaten at Hardwick, is worried on one count. His fear is that this highly strung horse might get too wound up in the long parade before the Old Cup. He says that although Border Incident is on his toes before the Lancashire race, Hardwick has a comparatively small paddock, and that they were bound to come in the start before the gelding had time to become too unsettled. But this is a risk that has to be taken.

Head's expertise with Border

Incident has so far enabled the gelding to pass his most important tests in endurance and hills.

Twiss, who has been a real star, has so far been beaten by Holt, but he is a real star, and he has a great kicking ability.

Coventry were pedestrian by comparison. Their pack may have

surprised from the exclusion of the likes of Nunns and Malin. Duckham, pushing Grimshaw to stand-off, half and Hamilton into the centre, Coventry took a deep breath and knee nearly squeezed the ball out of the hands of the scrum half before the ball was put in. Head is to be congratulated on the boldness of his decision.

Richmond were not finished yet. They survived a scrummage five by taking a heel against the head and immediately went on to the attack. Ray rounded off the best half with a try, and the visitors, involving Pritchard, Shattock, Greenwood, and Whibley kicked the crucial conversion to give Richmond a lead which they did not look like relinquishing.

Coventry were frustrated for the second half, and the closest they came to scoring again was a desperate punt attempt from 55 yards by Twiss, which fell short.

COVENTRY: K. Twiss, D. Shattock, S. Pritchard, P. Grimshaw, J. Couthard, J. Holt, G. Greenwood, R. Whibley, R. Holt, R. Farlow, R. Walker.

RICHMOND: D. Whibley, F. Morris, J. Shattock, C. Pritchard, A. Shattock, M. Shattock, A. Bucknall, G. Greenwood, R. Pearson.

Referee: L. L. M. Thomas (Manchester).

Wasps have spirit to overcome adversity

By Michael Hardy

Wasps are entitled to much credit for their victory over Nottingham as Sudbury on Saturday

by two goals, four tries and two penalty goals (34 points) to two goals and a penalty goal (13). Even in their worst days Wasps' spirit seldom flagged. In this game of fast open football, marred only by the number of injuries it brought, they had the spirit to overcome adversity and the technique to match it, and a refurbished pitch of which they are rightly proud.

Mostly it was the backs who did the scoring for Wasps, which after all is their prerogative. But was not the pack, which provided the base for all, for all the first half, and for part of the second half, and for part of the first, they had to manage without Leggett, who injured a leg and was not replaced. Yet the pack with Black their leader by voice and example, made light of the task, although a longish leggett, who had not particularly big locks in Robinson and Marson, proved themselves aggressive and efficient opponents.

Wasps were well served, too, at half back, where Evans's long pass kept Simmons out of too much trouble. It was the stand-off, Ward, who had the ball, who had the chance to catch the ball from the maul, who had the foresight to turn an unpredictable ruck under the posts into a scoring more by putting a grubber kick wide of the defence for Gardiner to pounce and score.

The backs also had injury problems which they overcame in style. Through, it was the intervention of Richards from full back, and the thrust of French in the centre, that gave Wasps the second half advantage. In fact, Richards' kicking was of the highest class, but it probably affected the outcome of this game less than his ability to make a second half.

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Steep rise in empty premises

An increase of 149 per cent during the past two years in the total area of empty factory and warehouse space available for sale or letting in England and Wales is reported in the latest Hoopers survey by King and Co. It shows a total of almost 35 million sq ft, compared with 24 million sq ft in 1974.

But King and Co say it would appear from comparison of their figures with those of the Department of the Environment that empty premises do not represent more than about 5 per cent of the total stock, excluding derelict and obsolete multi-storey premises.

The survey shows that the position deteriorated last autumn after some improvement in the summer and showed a 9.3 per cent increase in empty factories and a 6.4 per cent increase in empty warehouses from the middle of August to the middle of December.

In all, an additional 6.3 million sq ft remained on the market at the end of the four-month period, bringing the total of empty factories to December to 50.4 million sq ft and that of empty warehouses to 34.5 million sq ft. Part of the rise in empty factory space is attributed to the completion of advance factories with government finance in the development areas, principally in the North-west and North-east.

King and Co regard it as essential that the Government should review and reduce the construction of advance factories in those development areas that have substantial stocks of empty buildings, and should instead build in parts of the South-east, such as the London dockland areas.

Developers should be encouraged to provide new industrial premises by such means as amendment of the void rate legislation, the immediate availability of industrial development certificates and the removal of planning delays where local authorities hold up development while they decide whether to purchase the land under the Community Land Act.

One of the biggest lettings in Birmingham in recent years

is by Allied Breweries have taken a distribution depot of 24,000 sq ft on a site of 15.8 acres in Gravelly Industrial Park, only a few hundred yards from "spaghetti" junction. They expect to take possession next September. The letting was arranged by Morgan and Partners, who are carrying aluminium curtain walling between brick end panels.

Energy Conversions have sold for close to the asking price of £400,000 the long leasehold interest in their research and development complex on Priory Road, Basingstoke. The building, which comprises a modern laboratory and offices of some 40,000 sq ft, has been bought by the Post Office, who will convert and occupy the premises as a new district headquarters.

In December nearly half the complex on Mackenzie Hill's warehouse development in Selsdon Road has now been let.

The latest transaction was the signing of a lease for 63,000 sq ft to Apollo Freight for use as a United Kingdom head-quarters. Apollo have taken an option on a further 34,000 sq ft.

Four units are still available on the estate for immediate occupation, ranging from 20,430 sq ft up to 106,000 sq ft, with a range of 800 sq ft to 10,000 sq ft.

Rocking Glass, who recently sold their site at Givinstord to IBM, are to establish their new headquarters in the building. The move will be completed during the second half of the year. Jones Lang Wootton, together with Wilson and Partners, acted for Land and House.

Commercial Union Properties have sold their shopping development at Kings Walk, Winclebury to the Automobile Association Pension Trustees for about £1m. Completed in 1974, the scheme consists of four units of 700 sq ft and 10 smaller units, all fully let, and 20,000 sq ft of offices above them let to the Hampshire Area Health Authority.

The design around a central court incorporated a renovated Victorian shop, a newsagents and an antiques market. Letters who acted for CUP as letting agents also dealt with the sale and Green, Mandeville, Cannon and Partners acted for the AA.

Another letting to the Prudential Services Agency has been that of 17,000 sq ft in International House, Dorset Place, Ashford, Kent, by Equitable Debenture and

Gerald Ely

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Eric Heffer

State industries should be the first to do away with 'them and us' ideas

British democracy, which is rightly regarded with envy in most parts of the world, has for too long been lopsided, and in practice ends at the factory gates. Whilst it is true that collective bargaining has extended the frontiers of industrial democracy, and trade unions have become more influential, when it comes to worker participation in decision-making at factory and company level, Britain has lagged behind most of its European allies.

The British worker has, for too long, been kept firmly in his place. The "them and us" syndrome mirrors the class attitudes in society as a whole, and it is therefore not surprising that British industrial relations in the past have not been modelled for the rest of the world. A bitter conflict has been the norm over the last 20 years.

In the 1974 general elections, following almost continuous industrial confrontations during the Heath government, Labour promised to do three things on industrial relations. First, to repeal the Tory Industrial Relations Act; secondly, to bring in an Employment Protection Act, giving workers greater rights and protection than ever before, and thirdly to radically extend industrial democracy. The first two promises have been kept, and the recent government announcement that legislation is being prepared, based on the Bullock recommendations, clearly indicates that the third promise is under active consideration by the Cabinet, despite differences in timing and ultimate content.

The negative, hysterical response to this by the Tory front bench—for example John Nott's statement that Bullock was "a political tract which would make a mockery of genuine democracy in British industry"—echoing as it does the "fury" of the CBI, underlines the point that the legislation will be hotly contested in the House and in the country, especially if the Bullock majority recommendations are accepted. Already Tory politicians and some organs of the press are talking of "civil war" in industry and confrontation of the type which developed over the Industrial Relations Act.

It is therefore regrettable that instead of the report being looked at dispassionately and examined in depth and detail, the battle lines are already beginning to form over the principle itself. This, of course, will be denied and great play will be made of the minority report signed by the three industrialists. However, that minority report, although accepting the idea of supervisory boards, and saying that they should have teeth, then goes on to say that the supervisory boards "should not participate directly in the management of the company, nor be empowered to initiate policies". In their report, the minority give a list of the powers, duties and responsibilities of the supervisory boards, and to underline that they will really change nothing; they say the effect of these proposals would be "to leave existing structures, organizations and purpose of boards of

In many ways, industry and the unions are being asked to take a leap in the dark, but that does not mean we should not strive to make the new system of industrial democracy as good as possible

democracy as good as possible. It is particularly important to avoid the creation of bureaucratic structures which could take us further along the path to a corporate state and in avoiding this danger, it is essential to consider the role of the trade unions. I agree with Bullock that those who stand for the boards of directors should be trade unionists but it does not follow that those selected should necessarily be nominated by individual trade unions. The triggering process, proposed by the Committee, is acceptable, but after that if the world were to decide to have representation on the Board, then all trade unionists collectively should elect their representatives irrespective of the unit to which they belong, bearing in mind that middle and lower management, who are in professional trade unions, will have the right to be involved. The outcome of election is complicated, but less so than any method of selection through existing trade union structures.

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compulsory planning agreements? Industrial democracy could then be fully instituted in these industries which had been taken over. This case will be argued most strongly in the Labour and trade union movements, and although I have a great deal of sympathy with those arguments, nevertheless, there is a good case for companies to give greater accountability to those who work for them. I therefore welcome the Bullock Report as a first step towards democratic management, and its proposals must be implemented in the form of legislation as soon as practicable.

In many ways, industry and the unions are being asked to take a leap in the dark, but that does not mean that we should not strive to make the new system of industrial democracy as good as possible. In the past, trade unions have been divided over involvement in management. They are divided in now. There are some who argue that collective

directors in the United Kingdom substantially unchanged".

It is obvious from such statements that while the industrialists on the Bullock Committee say they are in favour of some form of industrial democracy, it really amounts to very little.

The hostile attitude of the employers and Tory spokesmen, with their threats of non-cooperation, an investment strike, the loss of confidence, etc., raises fundamental questions.

Is it possible to achieve genuine industrial democracy without taking the major companies out of private ownership? Is the Government embarking on an unnecessary and costly struggle, divisive in character, when what it ought to be doing is extending public ownership and planning the economy through a series of

Lord Chalfont

We are weakening Nato, in quality if not in quantity

One of the more believable of the stories that constitute the Churchill legend is that the great man used to annotate certain passages in his speeches with the words *Argue weak here—show!* I was reminded inevitably of this last week when Mr Edmund Stevens, on this page, sought to demonstrate that it is not the Soviet Union which threatens the peace of Europe, but the arms race between the super powers. This seems to me to miss a vital point in the argument about the balance of military power.

Of course the arms race, especially the mad competition in strategic nuclear weapons, is a terrible threat to peace, possibly the greatest threat of all. What seems clear to me, however, is that there is only one effective and definitive way to remove the danger, and that is by means of a series of progressive arms control agreements, leading, ideally, to unilateral disarmament. Whether these can be achieved at all is a matter of considerable doubt—certainly the Geneva disarmament negotiations impressed me, after six years of frustrating endeavour in the Palais des Nations, as the definitive example of the permanent triumph of hope over experience.

However, disarmament is a realistic aim, it will be achieved only through patient and skilled negotiation, principally between the Soviet Union and the western alliance, and anyone who has negotiated seriously with the government of the Soviet Union knows that it is the most abject folly to try to do so from a position of obvious weakness. Let us get one thing clear—it is not Nato which is spending over 12 per cent of its gross national product on armaments; it is

surely unlikely that the present govern-



General Haig: one of the hardliners.

ment could be deliberately misleading the people of this country, is it not? It is also clear that Mr Mulley, the Secretary of State for Defence, is a man capable of doing fairly complicated sums without using his fingers to count, is it not? Furthermore, you will recall that the Chiefs of Staff exercised their traditional right to call upon the Prime Minister as soon as they heard that the cuts were contemplated. What you might not know is that they told Mr Callaghan that such economies could not fail to affect our contribution to the alliance.

In this context, I was fascinated by the Government's claim, repeated frequently in a debate in the House of Commons of positively mind-bending mendacity that the defence cuts of £300m planned over the next two years will not affect "the level of our contributions to Nato". After all, to effect cuts of £300m without touching the Nato commitment, it would be necessary to cut all other military spending by more than 25 per cent. It is surely unthinkable that the present govern-

ment could be deliberately misleading the people of this country, is it not? It is also clear that Mr Mulley, the Secretary of State for Defence, is a man capable of doing fairly complicated sums without using his fingers to count, is it not? Furthermore, you will recall that the Chiefs of Staff exercised their traditional right to call upon the Prime Minister as soon as they heard that the cuts were contemplated. What you might not know is that they told Mr Callaghan that such economies could not fail to affect our contribution to the alliance.

I believe I understand the position about the defence cuts a little better now. First let me say that there is little, if anything, wrong with the troops who constitute Britain's contingent in the alliance; and that some of their latest equipment is of a similarly impres-

sive quality. The Chieftain tank, the Jaguar aircraft and the Sheffield class destroyer will bear comparison with anything of their kind in the world. There are, however, some very real doubts about the future: for you see, if the level of our contribution to Nato is not to be lowered—in other words if the forthcoming defence cuts are not to reduce the actual numbers of troops, tanks and ships which we contribute to the alliance—then I hope this is not too dazzling a glimpse of the obvious: the economies will have to be made in some other way. What are available?

The first, and most obvious, is cancellation or delay of new equipment programmes, thereby making substantial reductions in capital expenditure. The effect of this will be that while Soviet equipment is Europe—especially in such crucial categories as anti-aircraft and anti-aircraft missiles—continues to improve our own troops will have to make do for longer with the weapons and vehicles they now have. Another potential source of economy is the fuel, ammunition and other resources essential for effective training. It is good having the best men and the best weapons in the world if they cannot be consistently tested together in something close to combat conditions. It is possible also to economize in some of those fringe benefits which relieve the basic tedium of service life in peace-time, such as closed circuit television, adventure training and sports facilities.

Finally there could be further reductions in the ability rapidly to reinforce the British Army of the Rhine at a time of crisis.

If these areas are where the

alliance. I met a reasonable cross section, ranging from my fellow hardliners General Alexander Haig to a lance-corporal in an armoured regiment. I went to sea with the Navy, flew with the Royal Air Force, got in the way of a tank squadron on training, and accompanied a patrol of the West German frontier guards along that dreadful outrage against humanity, the lethal barrier of electrified wire, mines and machine guns which keeps the population of East Germany in its place.

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bargaining, if extended, is the best way of developing industrial democracy. However, it has to be understood that collective bargaining is not a substitute for involvement in management.

In the future consultations promised by the Government, these matters must be clarified. The real need is for flexibility and it would be wrong to impose identical systems on all companies and industries. Under the Bullock proposals, a company must have 2,000 workers before a worker-director can be introduced, therefore some industries, such as the construction industry, would hardly be affected, and there is a good case for lowering this number.

In order to avoid an immediate head-on clash with the CBI and other employer associations, I would suggest that the proposals be first implemented in the nationalized and state-owned industries, as a model against the spread of narcotics such as heroin and cocaine and as a base for curative treatment.

Whatever is done, however, some general practitioners had helped to cause the increase in addiction by over prescribing and all legal prescriptions were henceforth to be kept in the domain of the clinics' doctors or doctors specifically designated to deal with addicts.

Addicts had to be registered and by this means a watch could be kept on the size of the problem. Registration was also intended to prevent any abuse of the system.

With the addict population dispersed into the clinics' curative treatment some kind of control might then be achieved. In practice this has usually been begun by moving an addict from heroin to a synthetic such as methadone, and then changing his prescription from intravenous injections to oral doses. The doses should then be cut down gradually. In cases where this does not happen successfully the addict remains on a maintenance dose which keeps him at a stable point.

There are now over 30 clinics operating and of these 18 are concentrated in London, where 80 per cent of Britain's addict population is said to be. The cost of the service is an estimated £15m per year of which £200,000 represents the cost of the drugs used.

On paper the system appears to be cheap, sensible and fairly effective since the official figures for registered narcotics addicts have stayed relatively small. In 1969 the total number of addicts registered was 2,876 and in 1973 the figure was 3,300.

Doctors and social workers in the field of drug abuse take a different attitude. The clinics' actual working arrangements were criticized. One example is the effect created by reorganization of the National Health Service. Local health authorities are not always keen to finance clinics for which they believe there is no need. At least one such authority in the home counties has been digging its heels in against a clinic for some time.

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During the 1975 referendum campaign he pursued a vigorous campaign against Britain's membership. His arguments included objections on grounds of sovereignty and the economy, but chiefly he was opposed to the community's religious make-up.

As yet the boundaries for the proposed elections have not been drawn, but if they go the way predicted Paisley should have little difficulty in romping home from his present parliamentary base in North Antrim. He is frank about his motives:

"The southern republic has had a field day in the European parliament. Ulster has been maligned," he boomed. "I am very strong, as you know, on the Protestant way of life and I look upon Europe as a Roman Catholic-dominated empire. I feel that the voice of Protestantism needs to be heard loud and clear."

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markedly higher in Ireland and was horrified to be asked to pay £204 to tax the £2 Sovereign for a year, or with £40 in Britain. "I worth, coming here, we are earning at least £200 a week from writing," he leaving me to guess how much he was doing himself.

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"Among other things, it is the last place in Europe where a sausage tastes like a sausage. And you should see the sky here yesterday went from royal blue to gold."

Next: Harry Harrison.

In our report of the film

sale on Friday, the quoted Lady Rosebery as

that Baron Meyer believes

it is much cheaper to

French 18th-Century film

Daily Telegraph had him

that it was cheaper than

go to *Maypole*. The real

pointed out that the charming

creepers sets she better

venue *Venice* anyway.

P

Drug clinics: What has gone wrong with the system other countries envied?

Ten years have passed since Britain introduced drug dependency clinics to cope with the narcotic addict. Since then the clinics have won wide praise and envy from other countries as a civilized method of dealing with serious drug addiction.

But

at home the praise has turned sour and criticism has built up sufficiently for the government's Advisory Council on the Misuse of Drugs to organize a working party to examine the clinics. An interim report has been completed on a treatment programme which some would say is in itself a suitable case for treatment.

The clinics were born as a consequence of the second Brain Committee report and considerable worry in the mid-1960s that Britain's population of addicts was increasing rapidly. The intention was to use the clinics, coupled with strict legal controls, as a control against the spread of narcotics such as heroin and cocaine and as a base for curative treatment.

It was felt at the time that some general practitioners had helped to cause the increase in addiction by over prescribing and all legal prescriptions were henceforth to be kept in the domain of the clinics' doctors or doctors specifically designated to deal with addicts.

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In our report of the film</p

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THE TIMES MONDAY JANUARY 31 1977

13

CASE FOR A HEALTH BOARD

of the evidence to the Commission on the Health has almost brought to an initial task of gathering and opinions. At the time, another cut in the NHS spending, quietly made last week in the White Paper on future expenditure, gave point to David Ennals's speech that there can be of enabling the service and its way out of problems. It is morale those who work in to decide and many difficulties are of a kind not ultimately be solved money.

that this is so, the problems of the NHS themselves into a matter of bouseuse—of better use of existing— as well as of creating a rigid standard of provision that ingrained in the NHS, health and in the social generally. Mr Ennals's devotees much attention keeping. The British

Association's evidence commission, the most part, declines to accept a limitation Britain's a right to expect a service costing several millions more, and must, therefore be to making that possible. circumstances Mr approach is more realistic if it is disappointing of the BMA's 40,000 are addressed at all specifically examining the scope that exists for a health care more

Accepting that it is politically impossible to raise very much more money by direct taxation, the BMA proposes higher prescription charges and charges (with exemptions) for the "hotel costs" of hospital care. There is a good case for raising prescription charges, whose real value has fallen greatly in the years since they were last raised, and a rather less good one for hotel charges, which would fall heavily on patients whose earnings stop while they are sick and would involve much extra administrative work (it is significant that consultation charges, where the administrative work would fall partly on the doctors themselves, do not gain the BMA's support).

The BMA's main money-raising proposal, however, is an extension of the currently largely notional principle of national insurance for health. The service would be paid for out of a distinct fund, financed by higher contributions, and less subject to political tampering. It is rather optimistically hoped that pay deductions for a fund of this kind would be more acceptable to the public than straightforward tax increases, and that any future spending cuts the self-supporting health fund would not suffer. For a service whose share of total public expenditure has risen fast in recent years, partly because of political decisions, with expenses that commonly outstrip the general rate of inflation, the proposal would be likely to guarantee a stagnating supply of funds.

One of the purposes of such a plan would be to remove the financing of health care from political controversy. It is often associated with a proposal which the BMA (after much hesitation)

has wisely decided not to advocate—that of the independent health service board or commission. The vitality of the idea is shown by the fact that the Royal College of Physicians and the Fellowship for Freedom in Medicine have embraced it in evidence published today, as did the recent report by members of the McKinsey consultancy firm. The reasoning behind it traces the misfortunes of the service to the fact that it has a politician, the Secretary of State, at its head. Reconstitute the NHS as an independent body, and, as the Royal College put it, it would be "insulated" from political reversals of policy.

No public service that spends 6 per cent of Gross National Product, as the NHS does, can ever hope to be free of close governmental oversight. The nationalized industries, as the recent McIntosh report showed, are anything but models of managerial independence. The content of major decisions in such bodies inherently carries a political charge, whatever the administrative structure. The provision of medical care commands so much fundamental public good will that the political factor works in favour of the service at least as often as the reverse. The medical profession in particular, with its ready direct access to the minister, enjoys a quite exceptional degree of influence under the present system, however difficult it may find that to believe after recent events. It is in more effective delivery of care and simplification of the command structure within the service that the answers to the NHS's financial difficulties are to be sought.

Yours faithfully,
HUBERT SIMES,
Parish Priest,
St Joseph's Roman Catholic
Presbytery,
218 Roehampton Lane, SW15.
January 25.

INDING THE ARGENTINE ROAD

pects for peaceful in Spain, which at the year has begun to actively begin, have sadly in the past week, from Sunday to Sunday, been shot dead for political reasons. A young student, a Comawer, two security and a member of the ed. A tenth victim—a dead after being hit by a grenade during a riot. A senior general died. The Government's plan for a amnesty, to ban all ratios, and to reinvigorate Franco's anti-law which gives the very road powers to nd detain suspects and their property without by the courts. accompanying wave of affected not only right wing extremists associations known to advance but also members in their parts and trade which have strongly contact. Many leaders of such groups have gone, fearing further right-wing attacks. Some have said that if the police or unwilling to protect they may be forced to supporters.

Understandably, many Spaniards are beginning to fear that their country is going the way of Argentina. A section of the Spanish extreme right is clearly modelling itself on the murder-sangs of the Argentine Anti-Communist Alliance (AAA), and one well-known Argentine right-winger was arrested last week for alleged involvement in one of the political killings. Spain, like Argentina in 1973, is attempting to return to democracy after a period of military rule. Unlike Argentina, however, Spain does not have to cope with two sizable clandestine left-wing armies operating on her territory. It was the existence of these—the ERP and the Montoneros—which provoked, or at least gave a plausible pretext to the growth of right-wing terrorism in Argentina. The Basque separatist ETA is not a threat on anything like the same scale. But the mysterious GRAPO seems to be trying very hard to fill the bill. There are in fact growing suspicions, even within the Spanish Government, that GRAPO is either composed of or manipulated by an extraordinarily cold-blooded group of right-wing agents provocateurs.

Whether or not this "left-wing" terrorism is genuine, what is important is that the determination of the Government and

the security forces to defeat all terrorism, of whatever political colour, should be absolutely beyond doubt. The police must not be allowed to fall into the trap of thinking that, because one group of terrorists chooses victims among the police, therefore the self-appointed "counter-terrorists" are in some sense the police's allies. The essential feature in the degeneration of the Argentine body politic was precisely the blatant collusion, if not identity, between the official security police and the unofficial right-wing terror gangs.

In Spain under Franco and even after his death there was evidence of similar police connivance at and participation in the activities of the right-wing "Warriors of Christ the King". In recent months the police have begun to act more seriously against right-wing violence. But last week there were disquieting signs that the restoration to them of the anti-terrorist powers given them by Franco, combined with their understandable fury at the cold-blooded murder of their colleagues, might encourage them to revert to their old bad habits. It is this that the Government must avoid if it is to keep its promise not to be deflected from the path to democracy.

dent of the Council and Leader of the House. Sharing in the collective responsibility of the Cabinet, required to compromise here, and make concessions there, every day preoccupied in calculating where votes to sustain the Government are to come from, nicely timing the moment when he will join the Commons under a guillotine on the Scotland and Wales Bill, knowing that the House waits with impatience for his own speech to illustrate that constitutional Bills can be jerrymandered through to the statute book without peril to Parliament and people.

Nearly a third of the period allotted to the committee stage of the devolution Bill has now passed, and Mr Foot has to show for his labours only two of 115 clauses, one substantive and one amendment, of the separate representation of the Cymru Islands in the Edinburgh Assembly. He has now no choice except to try to enforce a timetable that will leave most of the Bill undebated in the Commons: he knows that up to the last minute he may not be sure that the motion will carry. Nor, if it does carry, may he be sure that the House of Lords, already threatened by the Labour national executive committee with extinction, will not say it has a duty to supply the deficiencies of the Commons, particularly on a constitutional Bill, and go to a standstill like the lorry rather than the lamb, delaying devolution much as it did the Bill last session to nationalize the aircraft, shipbuilding and repairing industries.

Parliamentarian that he was, Mr Foot is not reckoned to have made a tentative Leader of the House. Traditionally, in that role he should treat temperately with Opposition parties, and on occasion protect backbench interests against executive interests. Behind the scenes he has apparently exercised much of his natural charm and humour, but he persistently sees himself as a business manager who puts party first, and he has given the impression that as Employment Secretary and now as Lord President, that he is more concerned to appease the TUC than to satisfy the needs of the House.

Char is not enough in a Leader of the House. He must also be willing to bend a little before the winds that blow in the chamber, the corridors and the smoke-filled rooms. He must, if he is to get the best bargain, build a reputation for plain dealing. And there are no

signs that Mr Foot has yet managed to strike a single bargain giving him, or the Government, any benefit on a devolution Bill, let alone his committed friends anywhere in the Commons.

Very soon, there will be a fundamental test of Mr Foot's managerial skills.

The Conservative Opposition

has tabled an amendment that

gives to the heart of an anomaly

exposing how crudely the Bill was

conceived and drafted. It asks that before the Bill comes into force a Speaker's conference (it would require no legislation) ought to

pronounce on how many Scottish

and Welsh MPs should sit at West

minster, once important powers

have been transferred to Edinburgh

and Cardiff, and what voting rights

the residual Scottish and Welsh MPs

should continue to exercise in the Commons on purely English questions.

Nothing could be fairer. Academics and commentators have for years been pointing out that, on top of the proposed Assemblies, Scotland and Wales are already over-represented in the Commons.

On electoral quotas Scotland's seats

should be reduced from 71 to 57 or 58.

Even then, there would be no equality if Scottish and Welsh MPs, in reduced numbers, could vote on specifically English subjects that Edinburgh and Cardiff can settle for themselves.

Yet the Government has made no attempt so far to resolve the anomaly. Ni wonder. It means that some Scottish and Welsh MPs, on whose votes it now relies to carry the Bill, will be asked to vote for the extinction of their own seats.

It means that several recent governments could not have guaranteed a majority to carry English legislation, because their effectual majorities lie in Scotland and Wales. It means that some method would have to be found to distinguish with certainty between those parliamentary Bills affecting only England, although it might happen that some Scottish and Welsh Assembly Bills would have an impact.

In the old days, I suspect, Mr

Foot, whether sitting for English

Devonport, or Welsh Ebbw Vale,

would have made cause once again with Mr Enoch Powell to be the scourge of any government that so sloppily thought out a constitutional Bill. What will he do now? Ask for a guillotine to muzzle debate, or announce that he agrees to a Speaker's conference?

Yours truly,
CHARLES WINTOUR,
Managing Director,
Daily Express,
121 Fleet Street, EC4.
January 28.

Generation mix on council estates

From The Reverend Hubert Simes

Sir, We are constantly being told that in a few years' time, fewer young people will be available to look after an aging population.

The members of our parish council have been concerned for a very long time that in Rechampton, where we have very large council estates, the population is a uniformly aging one. This follows from the fact that when they were built, they were filled with young families—families which have now grown old together. On one estate, opened between the wars, there are now very many old people because, as their families have grown up and married, they have had to move away.

Our council has tried many

times to get the policy of the GLC changed to allow at least a small

percentage of houses to be let to

young families who have been brought up on the estates. This

would allow a new generation

to develop, rather than artificially

creating a one generation

community.

We fully appreciate that this

problem is difficult for housing

authorities facing long waiting lists

for council accommodation. But we

also feel that the Doverhouse

estate is among the oldest in the

country, and that the difficulties

now being faced there may be a

precursor of similar problems soon

over the country.

Through your columns, may I

renew our plea to the housing

authorities to reconsider this waste-

reducing policy?

Yours faithfully,

W. R. HAYWARD,

37 Queen Anne Street, W1.

Worker directors in industry

From Mr Bruce M. Cooper

Sir, As one who has spent many years running both shop stewards' courses and joint management/worker courses, I am disturbed at some of the recommendations of the Bullock Committee.

The impression of the report is that there is a considerable demand for greater involvement in industrial decisions made, as pricing policy, backward or forward integration, investment analysis or research allocation, which are those made at board level, but rather in matters which most directly affect the work force, such as consultation over plant shut-down (rather than a fair accomplish), recruitment policies, adequate provision for retraining, or, on occasions, which equipment to buy.

The impression of the report is that it is essentially a political rather than economic or social document. The trade union movement within its own institutions, with 5 per cent attendance at branch meetings, and only slightly higher for the selection of national officers, hardly gives encouragement or confidence to the view that there is a vast thrust from the grass roots to bring about the desired changes.

Again, all too recently we have seen examples of how small well-organized cabals within the Labour movement have been able to make decisions contrary to the wishes of the vast majority of its members. Election to boards opens itself to just such manipulation of people whose major objective is to undermine and overthrow the mixed economy.

Finally, one wonders to what extent the Bullock Committee learned from the establishment of the National Coal Board. One remembers the euphoria which accompanied its inauguration, with the expectation from the work force of a new deal. Membership of union officials on the various boards proved in the event to have made little difference to either industrial efficiency, which this country so desperately needs, or a sense of common ownership. Yours, etc.

BRUCE M. COOPER, Dean, Centre for Management and Continuing Education, Ulster College, The Northern Ireland Polytechnic, Jordanstown, Northern Ireland, January 25.

From the President of the Association of Professional Scientists and Technologists

Sir, Both the representatives of employers and of the TUC on the Bullock Committee appear to have made the assumption that managerial and professional staff will automatically always align themselves with the employer, and do not, therefore, need separate representation on the proposed new boards of directors. The fact is that managers are neither employers' men nor followers of the policies of unions representing other grades. They are their own men.

They certainly identify themselves with the interests of their companies and wish to do all they can to promote the efficiency and prosperity of those, since this is the only way in which they, or any of the other employees in the firm, can hope to increase their rewards and standards of living. But they also have the expert knowledge and readiness to criticize the way in which their companies are being run.

Furthermore, in a highly technological society, it is the managerial and professional employees who are the chief creators of productive employment and are determined that Britain shall be a fair and peaceful society.

May I repeat another invitation

which I put to Mr Powell in a House

of Commons debate last March?

On this same issue will he not,

now, also be moved to

constructive and relevant thinking

and use his eloquence to unite, not divide?

Yours faithfully,

J. L. ANDERSON,

14 Esslemont Road,

Edinburgh.

January 25.

From Mr J. G. Martin Flegg

Sir, With reference to your leading article on the Bullock Report

(January 27), I suggest that the word

"oligarchy"

I have the honour to be, Sir,

Your obedient servant,

J. G. MARTIN FLEGG,

5 The Crescent,

Pendleton Road,

Eeriswood Common,

Radihill,

Surrey.

January 25.

From Mrs Sue Nightingale

Sir, Am I to understand that

managers are not workers?

Yours sincerely,

SUE NIGHTINGALE,

Dunedin,

New Lane,

Sheriff Hutton,

York.

January 25.

Canterbury and Rome</

THE TIMES

BUSINESS NEWS

Oldham
North Central

Inquiries to the Industrial Development Unit
Oldham Development Bureau, Suite 100
Oldham OL2 8RE. Phone 070 65 44-11

ddy meeting will unveil itehall strategy on aid five industrial sectors

Corina
Editor

to strengthen the
between Whitehall
are expected to
Mr Callaghan, the
ister, and Cabinet
when they meet
ers and industrialists
day's session of the
Economic Develop-
ment's proposals
secretary surrounds
misters and top civil
are anxious to obtain
reactions before any
ments are made.

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Mr Callaghan has
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it can be won in
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ment is expected
on Wednesday that
to private industry
concentrated on five
construction, equip-
omestic electrical
electronic com-
industrial engines
machinery.

For their part the teams
are regarded as well-
drilled teams of business-
union leaders, civil servants
and others have not only pro-
duced ambitious targets for
export growth and countering
import penetration but also
listed various priorities for the
forthcoming Budget to back up
their efforts.

The Government has set up
a team of what stra-
tegic teams think they can rea-
listically aim for. What matters
now is that the Neddty council
gives approval for 1977 to be
used for undertaking practical
follow-up action.

The Chancellor wants now to
link the industrial strategy
work closely with his budget
preparations. As one White-
hall source explained: "The
working parties carry out
now, and the sooner the mes-
sage gets through to industry,
and it is—the industrial input
to economic management will be
widely appreciated."

It may be that the Govern-
ment is ready to make some
pre-Budget pluses on certain
corporate and personal tax
matters as evidence of good
faith in backing the strategy
team.

Certainly the Chancellor is
examining how a bipartisan in-
volvement of MPs in tax and
incomes policy matters might
be achieved.

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system on February

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on Jan 28—Exports
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Trade Outlook re-
that American
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Kingdom "should
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manufacturing output
to support an export-
and stability re-
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tional Fund".

He claimed that the excess
work could be done by 125 tool-
makers in Britain over the next
four years. Mr Rooker said he

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Taiwan-UK bus deal to be launched

From Richard Hughes
Hong Kong, Jan 30

One of National China's largest manufacturing companies expects to launch a 10-year cooperative agreement to produce high-speed buses and trucks with Willbrook Co of Britain.

Tang Eng Iron Works, the Taiwan company, forecast today that 1,000 buses would be built in the first year, increasing to 8,600 by 1982, including 6,400 units for export, mainly to South-East Asian countries.

Production would include double-deck buses, trucks (nine to 12 tonnes), tractor trailers (14 to 16 tonnes), tipper carts, garbage trucks and fire engines.

Tang Eng Iron Works expected to earn \$40m (about £24m) by the end of the first decade of joint operations.

Increasing tourist traffic—a million visitors a year—and the increasing per capita income of Taiwan residents give impetus to the deal and its export aims.

Key proposals under study to help contractors in overseas projects

Far-reaching proposals to improve the performance of contractors bidding for big overseas projects are being examined by Sir Henry Benson, adviser to the Governor of the Bank of England.

Proposals from more than 15 bodies covering the City, Government and industry have been submitted. The two key ones are for a City-based insurance scheme to provide better risk cover and for the creation of single contracting companies, each covering one industrial field, to bid for important overseas work.

Sir Henry Benson's report on the proposals is expected within two months and, if favourable, will lead to a working party being set up to seek agreement among the various institutions.

Overseas Project Group, the Government export body, is anxious to see a City-based insurance scheme approved. A confidential report from OPG in October 1975 started examination of "jumbo contracts" (projects worth \$50m and above).

The report said Britain had failed to win its fair share of the increasing world market in big projects. It estimated that the value of available important project business exceeded £60,000,000 and suggested that Britain's share should be between £3,000,000m and £4,000,000m.

Last week Mr Reginald Freeman, Minister of Housing and Construction, in outlining the first year's work of the construction exports advisory board, said: "A shortage of facilities for bonding and protection against contingent liabilities is thought to be a major obstacle facing major construction exporters."

The City-based insurance scheme which has the support of OPG is for all surety companies, insurance companies and banks to be grouped into three pools. The pools will be backed through reinsurance by the Export Credits Guarantee Department.

One pool will consist of surety companies, the guarantee which would provide all the bond (a written contractual guarantee) required under the

contract. This would cover bonding arrangements between contractor and buyer and between main contractor and subcontractors.

The insurance pool would look after contingency risk.

Thirdly, the banking pool would provide a standby line of credit to the surety pool to provide immediate funds for on-demand bonds or other contingencies. It would be reimbursed by the surety or insurance pools. High risks would be re-insured through ECGD.

A committee composed of underwriters from the surety companies, insurance companies and bankers will perform the bond underwriting.

Besides providing insurance cover when none previously existed, the scheme should make contractors' prices more competitive because contingency margins would be reduced by the insurance arrangements.

There is less unanimity of view about the other set of proposals regarding formation of Projects Limited (PL).

Tony Sutton

Business appointments Mr C Hogg Kayser Bondor new chairman

From Sir Hugh Wilson and others

Sir, Mr C. A. Hogg has been made a director and chairman of Kayser Bondor. Dr G. B. Turner has left the board.

Mr D. A. Webb has gone on to the board of Racal Electronics.

Mr W. D. H. Greson and Dr T. L. Johnston have become non-executive members of the Scottish Telecommunications Board.

Mr Derek Kimber is to join the board of Equity Capital for

Mr Clement Picciotto is to become senior partner of Bendon, Langner on March 25, when Mr A. C. M. Harding retires.

Mr M. W. McCorkell has joined the board of Pauls & Whales as a non-executive director.

Mr T. D. Gourlay has been made managing director of Eurogas Assistance.

Mr Paul Burton and Mr Terence McCratten have been made directors of Rockwell Pneumatic Scale.

Mr Brian Goldthorpe has become general manager (international) by Midland Bank. Mr W. G. Barnes is to be corporate finance director (international).

The following have been named members of the Insolvency Law Committee: Mr Registrar of Companies, Mr Justice R. Ritchie, Past President of the Royal Society of Chartered Accountants, Mr John M. Hunter (Northern Ireland), Mr Muir Hunter, Mr P. J. Millett, Mr E. L. Walker-Arnott, Mr A. Goldman, Mr P. G. H. Aris, Mr C. A. Taylor, Mr J. S. Clegg, Mr B. J. Williams, Mr J. C. B. Birrell. Mr Bipin Hall has been elected to the board of Eager Forrester.

Mr Patrick McCarthy has been made regional chairman of Industrial Tribunals for Liverpool.

Mr J. Fallows, Mr C. Arseny and Mr W. R. Foster have joined the board of Firth City and Commercial Investment Trust. Mr J. Maples has resigned.

Mr D. W. Grosvenor and Mr G. B. H. Hall have joined the board of Balfour G.T., Mr C. M. Rodman, Mr J. W. H. Hall and Mr E. F. Burchill have resigned.

Mr D. J. Barnes, Mr D. W. Barrett, Mr L. R. Graham and Mr E. Miller have been made associate directors of United Gas Industries.

Mr M. Perkins, managing director of Ringers and Regis has been elected president of the Federation of Manufacturers of Construction Equipment and Cranes.

Mr Roland Freeman has been appointed a director of T. A. Clegg & Partners, and of Cut-Off Advertising.

Mr Norman W. Bayley has been appointed company secretary at Bambers.

Mr M. J. Love, joins the board of Petters as finance and commercial director. Mr R. Regis, becomes marketing director and Mr B. Harper, engine sales director.

Mr Ossy von Eichstorf has been appointed managing director of Selsbury International Products.

Also joining the board are Sir Philip Sorenson, Mr Keith Brown and Mr Bob Ritchie.

Sir Robert Norman is to retire in April as chief general manager of the Bank of New South Wales and will be succeeded by Mr R. J. White.

Mr Michael Waterson is to retire as chairman of Trident International Finance and will be succeeded by Mr Li Fook Wo.

Robert Rodwell

LETTERS TO THE EDITOR

Damaging long-term effects of fall in construction activity

From Sir Hugh Wilson and others

Sir, The presidents of the main professional institutes concerned with the built environment write to express their profound anxiety about the effects on the construction industry of the recent cuts in public sector capital spending. These further cuts, leading as they must to the dismantling of experienced teams and the rundown of plant and other resources, will gravely weaken the ability of the building and civil engineering industries to meet the programmes likely to be demanded of them if the economy is to improve.

Perhaps even more serious is its effects on the public sector, the loss of training opportunities for professional staff which only construction can provide.

Over the past 10 years, output of the industries and professions has never been as it is now. On present public expenditure forecasts and projections, expenditure trends, it is likely that output will drop by another 10 per cent in real

terms over the next two years. During 1978 it seems probable that the industry as a whole will be working at about 75 per cent of its maximum (1973) capacity with an operative unemployment level of around 20 per cent, or 300,000 men.

This would take the industry's output below the lowest levels postulated by the National Economic Development Office in its July, 1976, publication *Construction into the early 1980s*.

Such an unprecedented reduction would, in our view, endanger the industry's ability to support the training needed or even to retain staff to cope with future demand and jeopardize the Government's industrial strategy.

We can well understand that it may be an easy political choice to cut public capital expenditure. The construction industries and professions are fragmented and cannot adopt a united stance against the loss of public expenditure trends.

It is the danger is that the consequences are not therefore fully

Prescription for currency stability

From Professor D. R. Myddleton

Sir, I recently charted, on single-cycle log paper, the purchasing power of the pound since 1935. Starting with 1935 equals 100 at the top left, each succeeding year's purchasing power was placed lower and to the right, until in 1976 the pound's purchasing power disappeared off the bottom of the chart!

Is it not a shattering indictment of Keynesian policies that the pound's purchasing power should have fallen by over 90 per cent since 1935 (and by two-thirds since 1964)? The Victorian economists at whom Mr Maudling sneers would not have been amused.

Mr Maudling did not justify his assertion that the monetarist remedy for inflation "will not work" in the modern world. But Keynesian policies are not even intended to

It is government interference that has failed. Rather than support Professor Friedman's scheme for "wise" government management of money, therefore, I endorse Professor Hayek's more radical proposal for competition in currency. Let the market work.

Yours faithfully,
D. R. MYDDLETON,
Cranfield School of Management,
Cranfield, Bedford,
MK43 0AL
January 22

Taxation's role in helping the exporter

From Mr John Bradshaw
Sir, I must congratulate Anthony Cadman for his (January 11), and you for listing, his excellent letter under the heading "Whom UK Exporters Won't Succeed".

His observations are both acute and timely, and in they highlight the absurd concessions to export

Mr Cadman's Law that "bad money drives out good" applies only in the absence of a free market. Whether through ignorance, incompetence, malice or just 400 years of bad luck, modern British governments have manifestly not maintained a reasonably stable currency.

It is government interference that has failed. Rather than support Professor Friedman's scheme for "wise" government management of money, therefore, I endorse Professor Hayek's more radical proposal for competition in currency. Let the market work.

Yours faithfully,

JOHN BRADSHAW,
PO Box 2000,
Lusaka,
Zambia.

Gas and electricity pricing

From Mr Anthony Wormald

Sir, Countless numbers of homes are changing from electricity to gas at enormous expense. Millions of pounds are spent to be able to use gas which is much cheaper than electricity. Both are in industries—why not let users of both pay the same price? Why

should those that are fortunate enough to have gas in their homes have heating cheaper than those that only have electricity?

Yours obediently,

ANTONY WORMALD,
Robert Denholm House,
Bletchley Road,
Bletchley, Bedfordshire,
January 25.

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BY THE FINANCIAL EDITOR

Equities take their lead from gilts

of England may not be at the way in which interest rates have risen in grasp—the result of trying to three irreconcilable simultaneously—but at least to be accepting on in a sensible way producing a new tap today.

Equities would seem rather than continue to tick at a market that have an insatiable far better allow it to its current head of then launch a new waps, in conditions give a new stock of fulfilling its function. What will occur is that will occur is less but at Friday's opening in gilt prices necessarily be very up around a 13% per level for the long end.

the equities continue to happily along in of gilts, the mood of of a week or two ago to one of ride the at least for the and, albeit that the now has alarming to January 1976. investors who now financial profits under are unsettled by the hot money in the ad fear a nasty dog-day policy may well bring into a further

who believe that flexibility and good reveal—with perhaps or relaxation on the front too—should let it run.

ng bid

iving its bid for filamentaire last year, argued that buying a company with GA's and leadership for earning was not le. Since the same leadership arguments avraham itself, and stock market is, in gher now, Sir James

Générale Occiden- id it hard to justify Cavenham at only

is historic or just es prospective earn- to the end of mining profits of over out £34.7m. So the 120p bid price can viewed as a sighting

erant... and so far, component of the er, is how it will be—paper is ruled out, probably be cash. But within the GO empire is a holding company n asset is its 51 per

venham, then, is avraham's £100m or can be unlocked at 120p, t only £52m. The mon would be that borrow the funds 3 bid, repaying these subman's cash.



Mr. Ernest Harrison, chairman of Racial Electronic, long term benefits of Milgo bid.

the group's miserly yield has long acted as a counterbalance to its enviable earnings record.

Not that Milgo will make much of an immediate contribution to Racial's earnings if the takeover is successful since the contribution is likely to be only £2m net of financing charges. Longer-term, the contribution should be considerable.

Data communications and computer peripherals has been growing by leaps and bounds in the United States and after its liquidity problems in 1969 Milgo then trebled sales to \$41m in the five years to 1976 and profits had more than doubled before last year's lapse from \$4.23m to \$2.36m.

Not only will the acquisition immediately boost Racial's sales in the United States from 4 per cent of the total now to almost a quarter. But it also stands to transform the balance sheet with shareholders funds (including retentions from pre-tax profits this year of probably £33m) virtually doubling to nearly £50m even before the rights issue. With that sort of base and its already strong liquidity Racial will have no trouble financing the back-to-back loans for the deal.

The fly in the ointment at the moment is of course Applied

The hiccup in world economic recovery has retarded hopes that the chemical industry was specially coming out of its worst recession since the last war by perhaps a year. Last week, for instance, we saw one of the United States majors, Dow Chemicals (with, incidentally, one of the best records in the sector for bucking the cycle) report a poor set of fourth-quarter figures and complained that the market was still not very strong enough to push through price rises to offset cost pressures.

In the United Kingdom, chemical groups have been fairly conspicuous laggards in the recent market rise with the FT chemicals index only one-third of its low last year against a rise in the oil-share index of a half. True, chemical concerns, especially pharmaceutical groups, have been notching up some impressive earnings gains but they have to be seen in the context of 1975's depressed earnings; and most analysts are looking for 1977 earnings rising no faster than the industrial average.

Meanwhile, the sector is likely to be overshadowed for the next month by the prospect of ICI's full-year figures to the end of February where earlier optimistic estimates have been scaled down to around £540m pre-tax with European demand, fibres and fertilizers still problem areas.

Temping a
othold

isen a sixth to 285p since its bid for data communications, Milgo Electronic failed. How much of the benefits that accrued to it from its first real foothold States and how it plans to lift the revalue with its rights to fund half the station costs is a moot e is no doubt that

Business Diary in Europe: Hello to Berlin. • Space savers

ell, the Secretary of Trade, has arranged special for a visit he to East Berlin later the first such visit ministered that most remember.

ing out on Thursday's talks with such Soile, the German Republic's minister trade, aimed at increasing the volume of trade between two countries. 5 figures, which have been available, show imported about £60m d sent to East Ger. a \$45m worth. It invited a team of industrialists with in East Germany to a round-table ses- Thursday afternoon, he can to make or contracts.

ish team, who will tomorrow, are John chairman of Davy I. C. Terrel-Wyatt, director of Costain; overbridge, of Plessey; Sir Cyril Pitts, over- tor, ICI, and Leopold Rubery. Owen's f East-West trade, of the West, so far as we no hint that he is calling on either military government Berlin or the liners themselves.

ICE
space industry to be in reason- according to the states National Aero-

Digital Data Systems which has made a counter-offer for Milgo. Though its paper offer of around \$29 a share against Racial's \$26 cash offer does not have the Milgo board's backing, it looks as if Racial will need to offer something more to clinch the matter.

Racial's trump card here is that ADDS is too small to keep on offering more paper without depressing its own share price and thereby the value of its offer.

Racial should have no trouble affording, say, \$33 a share, since it will only be buying Milgo on 12 times earnings, not excessive by United States standards in the fashionable data communications sector. My feeling is that the establishment of a United States base is vital to Racial's ambitions at the moment especially with threats to invoke the "Buy American" act to prevent the purchase of British military equipment.

With a £100m tender for single channel radio communications having just gone out in the United States, Racial knows all about the prizes to be won which makes a few extra million for Milgo pale into insignificance.

Index funds Matching the market

Largely because of the difficulties of dealing in sizable amounts in the shares of small companies, the institutions now tend to concentrate their investments in the shares of a limited number of large companies.

The result has been a predictable concentration of research effort upon the profit and earnings prospects of those companies; and it is the contention of proponents of the index-matching theory that the market in such shares is efficient and the price at any one point of time is more likely than not to be the "right" price given the existing state of knowledge.

With new knowledge the prices of such shares tend to move fast, reflecting the fact that the institutions, when they move, will move in mass.

How much chance has an individual fund manager, under these circumstances, of beating the market? Not much, if United States statistics are anything to go by: there, over a 10-year period, 87 per cent of funds have done less well than the Standard & Poor's Index. This is partly a reflection of bad investment judgment, but also a matter of the cost of dealing, which wipes out gains where gains are made. So now, under these circumstances, does the fund manager justify his existence?

By bending his mind, according to the index matchers, upon both greater and smaller things, they hold that the fund manager should, insofar as he requires equity market coverage, buy an "index fund"—a representative selection of shares; and that having bought them he should leave them to accumulate or depreciate with the market, while he concentrates on the overall balance of his portfolio and the opportunities available in the shares of smaller and less heavily researched companies.

Investment Research of Cambridge, which is importing the scheme into the United Kingdom, suggests that the fund manager should put between 30 and 60 per cent of his portfolio into the "core" fund—the top 200 shares of the FT Actuaries All-Share Index, in the service which they, in conjunction with brokers Quilter Hilton Goodison are offering. The object of fund management is, of course, to beat the market, not to join it—but their contention is that index-matching with a large part of the fund provides a good base for index-bearing with the rest.

Meanwhile, the sector is likely to be overshadowed for the next month by the prospect of ICI's full-year figures to the end of February where earlier optimistic estimates have been scaled down to around £540m pre-tax with European demand, fibres and fertilizers still problem areas.

Broken pledges

There were few glasses raised to Brussels at the Scotch Whisky Association's annual information and development committee reception in London last week, the week of Burns night.

Just how "astronomical" the costs are, NASA is not saying, except that from 1980 it will be much cheaper. Customers will no longer have to pay for "throw-away" rockets, as a re-usable space "chuble" service will become available.

The new, lower rates have just been announced (hurry, just now!). They range from \$3,000 to \$20m, depending on whether the customer chooses a "personal" flight, or is promising to fit in with when and how it suits NASA.

Car radiator tussle is generating heat

United Kingdom radiator manufacturers are worried by reports that British Leyland is planning a multi-million pound investment to convert its big Llandell radiator plant to produce a new type of aluminium radiator developed by a French company.

They have complained that a decision to buy French expertise would be a serious setback to British radiator technology at a crucial time. Most of the world's car-makers are at present similar considering a switch from copper to aluminium radiators.

The first new Leyland car to appear with a French-designed radiator could be the £200m Mini replacement due out in 1979. One British radiator manufacturer described the prospect as "a real slap in the face for us, particularly as Leyland is now subsidized by the British taxpayer".

Aluminium radiators of varying degrees of efficiency and reliability have been about for some years. They were fitted to Leyland's E-type Jaguar sports car for a short time. The main weakness was the complex process necessary to bond aluminium.

As the price of copper and brass—the traditional radiator materials—have continued to rise, cheap aluminium has come more into the reckoning.

However, it was Volkswagen's decision to switch to aluminium radiators for its very successful new range of water-cooled cars—Passat, Scirocco, Golf and Polo—which has sent international motor manufacturers back to their drawing boards.

If aluminium was good enough for Europe's biggest carmaker it was worth serious consideration indeed.

The design chosen by Volkswagen was developed by Sofica France, a subsidiary of Ferodo. It overcomes the bonding weakness of a fairly simple system of pressings.

Volkswagen was impressed enough to build its first radiator factory—its previous range of cars were air-cooled—expressly to produce the new French design under licence. It is understood, however, that Sofica drove a hard bargain and insisted on supplying half of Volkswagen's radiator needs from its own French factories.

Rival designs have been developed by a British, French and German combination, Marston Radiators, an IMI subsidiary, Chausson, the biggest French radiator manufacturer, and Behr, its opposite number in Germany, who have been pooling research on aluminium radiators for the past five years.

Chausson is now manufacturing an aluminium unit for the Renault 12 and Behr has won a contract for a new Mercedes model. That leaves Marston as the only member of the so-called Club of Three without a single production order.

Mr Fenwick Allison, Marston's managing director, has been working hard to persuade Leyland that his automatic brazing process is the one they should settle for. However, according to reliable Leyland sources last night, Sofica are the present favourites.

But Mr Allison has another string to his bow. He said: "We have made very substantial advances with our non-aluminium radiator technology which we believe provide a serious challenge to the economics of aluminium radiators."

We have developed a very high efficiency secondary surface which enables us to use a much thinner single-coat instead of the conventional two or even three-coat systems.

"We are also going into production of a radiator fitted with a plastic header tank for a major new United Kingdom car appearing later this year."

Clifford Webb

market of some 200 million people."

Bergius, chairman of Teacher's and a main board director of Allied Breweries, which has Dutch and Belgian interests, said that the French were not the only people not playing the game.

The Danes, for example, were protecting their own aquaculture from a recent increase in the cost of Scotch by taxation, while the Italians for more than two years had slapped a discriminatory rate of VAT on Scotch.

"I well remember the days," said committee chairman Adam Bergius, "when as an inducement to enter the European Common Market, we were promised that the removal of import duties and trade barriers would give us an enlarged home

THE TIMES MONDAY JANUARY 31 1977

Derek Harris

Price restraint: will the code be battered but unbroken?

Today's system of statutory price restraint, both as a fully-fledged, formidably detailed piece of legislation in 1973 under Mr. Edward Heath's Tory administration and subsequently elaborated to the point of obfuscation, could be in its dying months.

The legislation, which underpins the life of the Price Commission, runs out of the end of July.

But those companies which have made much of grunting and sweating under the weary life of surveillance by Sir Arthur Cockfield, chairman of the Price Commission, and which may well have now mentally written off the code as being as good as dead, could be in for a surprise.

Mr. Roy Hattersley, Secretary of State for Prices and Consumer Protection, looks like reading a difficult path in the next two months before the parliamentary timetable forces a final decision by Easter on the new shape of price restraint.

It could even end in the code being given a new lease of life by fresh legislation, and in a recognizable although probably more simplified form.

This is despite the fact that Mr. Hattersley has already made plain that he regards the present code as outdated and too rigid and would prefer to see an end of it in its present form.

The problem here could be mainly that of winning the approval of the TUC, which necessarily sees price restraint as complementary to its continued support of the pay policy. From its point of view it is hard to escape the question why the code should be changed, unless it is to make it more effective.

Last week's quarterly report of the Price Commission, covering the September-to-November period of last year, for the first time gave some idea of what has been happening since relaxation of the code last August.

The commission had already given as its opinion that the relaxations were considerable and that in theory profits and profit margins could double, although market forces were expected to rein back that degree of escalation.

The commission was able to assess the effect of more generous investment relief but found the other relaxations not so easy to quantify. How much of the extra profitability from those relaxations would go to the TUC—the report could not say.

The changes have also invalidated for the time being the commission's monitoring of profit margins as a percentage of reference levels.

Sir Arthur pointed out that because of the changes the calculation of profits and margins for price control purposes was now highly artificial, bearing "little resemblance to profits as calculated on accepted accounting principles".

He added that the exclusion of exports and some other activities from control meant that profits as reported for price control purposes might be significantly less than total profits. "Indeed," he went on, "in some instances companies will be showing 'losses' for price control purposes while their published accounts will show substantial profits".

All this not only shows how the code is from the realities, but also how badly in need of simplification it is if the system is to continue. It undoubtedly could strengthen trade union argument for a stricter system.

The TUC presumably would particularly want to see some conclusive evidence that extra profitability is resulting in

more investment, the sluggishness of which has lately been a particularly sore point with trade union leaders like Mr. Jack Jones, even though here and there major investment plans have been emerging.

The difficulty for Mr. Hattersley is that the various other scenarios for price restraint could yet prove intractable.

A variation of this would be for, say, the top 100 companies to submit price rises for scrutiny, probably on an

where companies would be expected to keep price increases in line with the scale of primary cost increases and the demands of investment. All companies would be expected to keep records which could be vetted if price increases put work in this field has already shown that there can be value in its approach in restraining profit margins, as with the scrapping of some recommended retail price systems.

It may be, of course, that the CBI and the Retail Consortium might feel that an over-enthusiastic use of intervention with a reference system might become capricious in its effects.

There is the problem within the Whitehall machine that the reference system means that in calling an investigation of a particular industrial sector, whether it be food or fasteners, Mr. Hattersley has to carry with him the Whitehall department which sponsors that particular industry.

A number of possible references appear to have been either held up or abandoned because of this difficulty which can reflect valid problems such as the possibility of increasing unemployment in a sector if profit margins are reined back.

What is probably Mr. Hattersley's preferred solution is the setting up of an agency with greater powers than the Price Commission, although geared to carrying on with such work as the reference investigation, the maintenance of company profit and investment records.

An idea of particular significance is for bodies like the TUC, the CBI, the Retail Consortium and other trade organizations to have representation, either direct or implicit, in the personalities chosen. The aim would appear to be to equip such an agency to look not only at prices and profits but also questions of efficiency.

On the one hand that could mean seeing whether a company in a near-monopoly situation was exploiting the market by charging too-high prices. Equally it could question over-manning and similar problems so sensitive for the TUC.

With such a powerful agency in the armoury Mr. Hattersley would be able to act more decisively than has so far been possible for any Prices Secretary. But to get it could mean a tough battle inside, as well as outside, Whitehall.

One way out of any inter-departmental bickering would be for the new body to be a completely independent authority. That could do much to counter possible objections that the new agency might be prompted to intervene on largely political grounds.

Undoubtedly, one of the trickiest drafting problems for the consultative document, likely to be out during February, would be in defining the criteria which would effectively trigger an intervention on a price rise or a reference for investigation.

TO THE SHAREHOLDERS OF GOLDEN HOPE PLANTATIONS LIMITED

REJECT THE TAKE-OVER BID FROM GENTING

The directors of Golden Hope Plantations Limited announce that they were notified on 28th January, 1977 that Genting Highlands Hotel Berhad, Malaysia, intends to make a cash offer of 96p per share for all the shares of 10p each in Golden Hope, other than those shares (10.8 per cent) which it already owns. Genting's proposals envisage the payment by Golden Hope of the same special dividend as is already included under the recommended merger proposals of Harrisons Malaysian Estates Limited.

The directors of Golden Hope have considered the terms of the bid with their financial advisers, J. Henry Schroder Wag & Co. Limited, who are of the opinion that

